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APPAREL

MARKET SURVEY

Belgium, one of Europe's smallest countries is an important centre of trade and industry. The standard of living of the 10 million inhabitants is high, ranking amongst the highest in Europe. There are three official languages : Flemish, French and German.

Belgium is a highly industrialized country whose economy is based on the principle of free entreprise and freedom of trade and commerce. Its economy is performing well : real 1989 GNP growth was 4.5 percent; the currency is strong, the inflation remains around 3 %, unemployment is in decline and corporate profitability is up.

With exports totalling $ 1.22 billion in 1989 Belgium ranks alongside France as Canada's 4th largest market in the EC. Thanks to its geographical location in the centre of the Paris - London - Frankfurt triangle, the efficiency of its distribution networks covering the south of England, northern France, northern Germany and the southern Netherlands, its capacity for rapid adjustment to the new standards and features of the single market, its high standard of living and ethnic and cultural diversity of its population, Belgium is a real microcosm of the single market of 1992 and has become a test market, tailor-made for any foreign company wishing to make a European breakthrough.

The estimated market value for apparel is $ 2,400 million with an annual growth rate of 3 %.

The main competition is coming from the EEC and the low wage countries.

The best sales prospects are leisure wear: T shirts, sweat shirts, shorts, jeans, ...

Canadian apparel exports are usually sold within the higher price ranges.

The highest sales in value are made in boutiques (47 % of total sales in 1989) with strong brand name marketing policies. The usual make up in boutiques is 300 %.

The highest sales in volume are made in confection chain stores such as C & A and Inno. Canadian suppliers should direct their marketing efforts towards two types of distributors who either import themselves or work with major Belgian importers.

Statistical data (in $ million)

	1988	1989	1990	Est. avg. ann. Real Growth Next 3 years
Import Market	1,750	2,200	2,530	+ 3 %
Local Production	1,150	1,460	1,570	- 1 %
Exports	1,050	1,380	1,660	- 2 %
Total Market	1,850	2,280	2,440	0 %
Imports from U.S.	5	6	7	+ 7 %

Exchange Rates 1$=35 Bfrs 1$=31 Bfrs 1$=30 Bfrs
Future Inflation Rate assumed : 3 %
Last Year's Import Market Share:
U.S.A.: < 1 % Netherlands: 23 % France: 21 % Germany: 16 %

1. Major buyers

1.1 Potential Purchasers/Importers

ERSIN SPORT (Joggings, trainings, beachwear)
M. Hambersin
Spinnerslaan 9
9100 Lokeren
Tel: 32-91-48.10.95
Fax: 32-91-48.28.03

LE TRAIT SA (imports Screen Star T-shirts and sweat-shirts)
M. Wirix
Rue de Glasgow 14-16
1070 Bruxelles
Tel: 32-2-522.90.55
Fax: 32-2-520.51.01

INTERNATIONAL TEXTILES ASS. (imports Slazenger)
Ms Betty
Rue de Calevoet, 110
1180 Bruxelles
Tel: 32-2-376.27.75
Fax: 32-2-376.33.08

JOGGINGSPORT
M. Rubbens
Rue Potaerde 42
1080 Bruxelles
Tel: 32-2-468.07.92 or Trade Mart: 32-2-479.75.67
Fax: 32-2-465.51.26

HERGO (Leisure wear)
M. Goris
Battelsesteenweg 492
2800 Mechelen
Tel: 32-15-21.95.50
Fax: 32-15-21.81.10

VANDEGOOR DIFFUSION
M. Kropp
Rue du Fort 109
1060 Bruxelles
Tel: 32-2-537.07.41

JEANS IMPORT BELGIUM
M. Vermeulen
Atomiumsquare
1020 Bruxelles
Tel: 32-2-479.85.79
Tlx: 61-014

1.2 Purchasers of Maior Distributors

INNO
M. Bosman, Purchasing Director
26 rue du Damier
1000 Bruxelles
Tel: 32-2-211.21.89
Fax: 32-2-219.14.11

MAKRO
M. Willems, Purchaser apparel
Bisschoppenhoflaan 643
2100 Deurne
Tel: 32-3-360.06.11
Fax: 32-3-325.43.82

SARMA
M. Rasmont, Director of textile purchases
8 rue d'Argent
1000 Bruxelles
Tel: 32-2-212.81.11
Fax: 32-2-212.86.00

GIB
Ms Istace (Purchaser Ladies Knitwear)
Ms Buissin (Purchaser Ladies Sportswear)
M. Mahaux (Purchaser Men's Sportswear)
26 Rue du Damier
1000 Bruxelles
Tel: 32-2-211.21.89
Fax: 32-2-219.14.11

MONDIAL INTERNATIONAL (is the world-wide merchandising center of C & A, Belgium's largest fashion distributor)
M. Steenkamer, merchandiser U.S. - Europe
1150 Bruxelles
Tel: 32-2-762.30.80
Fax: 32-2-762.48.10

2. Best sales prospects

In 1989, there was no real growth except for some items:

Ladies & Girls:	trousers:	+ 16 %
	shorts and short pants:	+ 59 %
	polo's:	+ 12 %
	t-shirts, sweat-shirts:	+ 12 %
Girls:	blouses:	+ 10 %
	jeans:	+ 13 %
Men & Boys:	shorts and short pants:	+ 19 %
Men:	suits:	+ 22 %
	coats:	+ 12 %
	beachwear:	+ 1 %
Boys:	polo's, t-shirts, sweat-shirts:	+ 17 %

3. Key Factors in local purchasing division

Belgium having an open market without specific contents, price and quality would be major selling points.

Sources of supply

a) Domestic Production

Belgium has traditionnally always had a strong textile industry which is export-oriented, mainly toward other E.C.-countries. It has always been strongly government-supported through grants and publicity funded promotion campaigns to support Belgian designers and manufacturers (i.e. the label "This is Belgian"). In 1988, the national textile sector was regionalized. Now each of the three regions (Flanders, Wallonia, Brussels) may decide independantly upon grants, the importance of which may vary from region to region according to the type of investment, the number of employees, the sales, etc.
Since 1988, investments in this sector have increased again and the financial structure of companies has become much sounder. According to the trade association however, the average profit margin is still on the low side (4%). This is mainly to be explained by the high costs of labour.

b) Current foreing sources

b. 1 Introduction

Since 1978, the import market has been steadily growing. In 1989, imports exceeded exports by $ 825 million.

Main import competition comes from other E. C. -countries such as the Netherlands, France and Germany. E. C. -countries account for 78 % of all imports.

b. 2 Comments on the origins of some imports

From the Netherlands: very few items are produced in the Netherlands which does not have a strong textile industry. The origin is very often the Far East.

From the former West Germany: this country having special trade agreements with former East Germany, many items are produced there at low wage costs.

From Marocco, Tunesia: many Belgian companies have toll-manufacturing agreements with these low-wage countries.

Business Environment

1. End-user profile

1. a Introduction

Because the purchase of apparel is greatly influenced by fashion, which, in turn is influenced by the age of the final consumer, we thought it interesting to include an overview of the Belgian population according to age groups.

1. b Overview of the Belgian population (1989) :

10 million inhabitants:	% males	: 51
	% 0-14 years	: 18. 6
	% 15-24 years	: 15. 6
	% 15-64 years	: 67. 4

1.c End-User profile : Age groups :

	15-24	25-34	35-44	45-54	55-64	+65 yrs
LADIES						
% of population	16.4	18.5	16.6	13.2	14.2	21.2
% of total units sold	21.1	23.5	18.4	15.8	12.5	8.6
% of total sales	18.3	18.5	16.4	19.2	15.2	12.5
MEN						
% of population	18.2	20.5	18.4	14.0	14.0	14.8
% of total units sold	25.5	23.8	19.1	14.5	11.0	6.1
% of total sales	25.1	20.8	17.2	16.5	12.9	7.6

CHILDREN	age	2-6	7-11	12-14
% of population		37.6	37.4	25
% of total units	sold	39.1	37.6	23.3
% of total sales		30.2	38.2	31.5

2. Distribution channels (% of market share in 1989)

	Volume	Value
Supermarkets	21.3	11.6
Confection Chains	30.1	23.4
Confection Boutiques	26.5	47
Mailorder	4.1	3.3
Markets	6.6	3.6
Other	8	8.5

Confection retail stores have stable sales, sales in the chain stores are rising, sales in large department stores are going down, especially for children.

Importers usually have a margin of 30 %, wholessalers 30 %, retailers between 30 and 100 %.

3. Trade promotion opportunities

3.1 The Brussels Trade Mart

Most of the major importers and distributors have a showroom at the Brussels Trade Mart of the I.F.G. Fashion Center, exclusively accessible to retail purchasers. This formula guarantees maximal exposure for products.

Brussels Trade Mart
M. L. Verbruggen
Atomiumsquare
1020 Bruxelles
Tel: 32-2-478. 49. 89
Fax: 32-2-478. 62. 58

3. 2 Main Trade Events

FASHION DAYS BRUSSELS
Annually in August at the Heysel Fair grounds in Brussels
M. L. Verbruggen
Place de Belgique
1020 Bruxelles
Tel: 32-2-477. 02. 77
Fax: 32-2-477. 03. 90

TEXTIRAMA (Trade fair for textiles and clothing)
Annually in August-September at the Exhibition Center in Gent
M. G. De Bolle
Martelaarslaan 45
9000 Gent
Tel: 32-91. 23. 59. 11
Fax: 32-91-23. 66. 42

4. Financial practices

Cash against documents.

5. Tariffs and import duties

Belgium is a very open market. There are numerous good importers.
Goods entering Belgium from the E. C. of EFTA-member states incur no custom duties, while those from almost any other supplier country are liable to import duties of ± 14 %.
No import licence is required, meaning that apparel is not submitted to E. C. - import quotas.
In Belgium, clothes are submitted to a value added tax (VAT) of 19 %.

6. Language requirements

- Language of business: French, Flemish, English
- Promotional material: idem.

7. Canadian government initiatives in Belgium

- A Canadian fashion show (défilé) with 10 to 15 Canadian companies could be organized at the Brussels International Trade Mart.

- Incoming buyers programme.

Summary of sub-markets

a) T-Shirts (all fibers) in $ 000 (1988)

Import Market	70,450
Plus Production	3,567
Exports	26,013
Est. Tot. Market Demand	48,004

The estimated annual growth rate in real terms over the next 3 years is 2 %.
Imports of synthetic quality T-shirts from Taiwan account for 5.5%.
Local production is not important. The high export figures can be explained by the fact that many T-shirts are imported to be printed or embroidered in Belgium for re-exportation.
The best sales prospects for Canadian companies in this market are cotton quality T-shirts. This quality represents 86 % of total imports.

b) Training and Jogging outfits ($ 000) in 1988

Import Market	46,400
Plus production	10,300
Exports	9,400
Est. tot. market demand	47,300
Imports from U.S.	43
% of market held by U.S.	marginal

The estimated annual growth rate in real terms over the next 3 years is 2 %.
Main import competition comes from E.C.- countries, accounting for 83 % of the market (in that order from the Netherlands, Italy, France).

c) Men's and Boys Pants and Jeans

The main B.L.E.U. (Belgian-Luxemburg Economic Union) import and export partners are other E.C.- countries and more specifically immediate neighbours (France, the Netherlands and West-Germany).

The most important import/export market in pants consist of cotton/denim pants. Exports exceeded imports of this product by nearly 62 % in 1988.

The average import price for this product is $ 11.5
U.S. imports are in the higher price range: $ 15.3
E.C. imports are in the medium price range: $ 11.7
Other countries are in the low price range: $ 9.0

E.C. tariff code 62 03 42 310 : Pants in cotton and denim ($ 000)

	1988	1989
Local production:		
Total imports:	131,615	172,579
Total exports:	212,700	250,697

E.C. tariff code 62 03 42 350 : Cotton pants (other) ($ 000)

	1988	1989
Local production:		
Total imports:	60,846	48,809
Total exports:	55,717	

E.C. tariff code 62 03 49 190 : Pants in artificial fibers ($ 000)

	1988	1989
Local production:		
Total imports:	1,190	2,850
Total exports:	328	514

Local Canadian Representative

Francis Keymolen
Commercial Officer
Canadian Embassy
2 avenue de Tervuren
1040 Brussels
Tel: 32-2-735.60.40
Fax: 32-2-735.33.83

Trade and Commercial Magazines

TEXBEL
Avenue du Houx 42
1170 Bruxelles
Tel: 32-2-673.81.70

MODIS
Rue de Spa 8
1040 Bruxelles

MODE FLASH
Noordlaan 11
8720 Kuurne
Tel: 32-56-35.45.11

Trade Associations

BELGIAN FEDERATION OF CLOTHING INDUSTRY
M. de Muelenaere
Rue Montoyer 24
1040 Bruxelles
Tel: 32-2-230.88.90
Fax: 32-2-230-47-00
Publishes a magazine with business proposals

FEBELTEX (Federation of Belgian Textile industry)
M. Bleeckx
Rue Montoyer 24
1040 Bruxelles
Tel: 32-2-230.93.30
Fax: 32-2-23047.00

AEIH (European Association of Clothing Industries)
Ms C. Domicent
Rue Montoyer 47
1040 Bruxelles
Tel: 32-2-511.87.31
Fax: 32-2-514.17.81

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